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DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

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Analysis of Enrolled Senate Bill 1288

Topic: Michigan Works One Stop Service Center System
Sponsor: Senator Garcia
Co-Sponsors: Senators Emerson, Birholz, Stamas, Goschka, Cropsey, Prusi, Barcia, Thomas III, Allen, Toy, McManus, Van Woerkom, Hammerstrom, Jelinek, Basham, Kuipers, Bishop, Cassis, Schauer
Committee: Senate Commerce and Labor
House Employment Relations, Training & Safety

Date Introduced: June 1, 2006

Date Enrolled: December 12, 2006

Date of Analysis: December 8, 2006

Position: The Department of Labor & Economic Growth supports the bill.

Problem/Background: The Workforce Investment Act of 1998 (WIA) reformed federal employment, training, adult education, and vocational rehabilitation programs and created a national workforce network. It created a governance system featuring the Governor, state and local workforce development boards, and local elected officials. The act also created a one stop service center system to provide services to job seekers and employers.

In Michigan, the one stop system established by the act was implemented in the Michigan Works! system, a series of public-private partnerships conforming to the boundaries of the state's 25 local workforce development boards designated by the Governor in accordance with WIA. The state's 25 Michigan Works! agencies oversee approximately 100 service centers. A service center is a location where a wide range of employment, training, and career education services are available to Michigan job seekers and employers. Many service centers have satellite offices.

Although the Michigan Works! system has been recognized in a policy document and in several Department of Labor & Economic Growth appropriations acts, it has never been authorized in a state statute.

Description of Bill: The bill would create the Michigan Works One-stop Service Center System Act to incorporate the current Michigan Works! system into statute. The provisions of the bill track the provisions in the Workforce Investment Act of 1998 and the state's policy document. They include provisions related to governance, designation of administrative entities to administer state and federal funding for workforce development services provided in each Michigan Works area, procurement of services, and conflict of interest.

Summary of Arguments

Pro: Michigan Works! agencies are an integral part of the state's workforce development system. In that capacity they are making significant financial investments in one stop service centers to serve their customers. This bill will provide some assurance to Michigan Works! agencies and their communities that the financial commitments they have made to the workforce development system in their area are safe.

Con: The bill is unnecessary. The provisions in the bill are taken directly out of the Workforce Development Act of 1998 as implemented by the state's 2001 policy document, appropriations bills, and other documents. The federal act has not been reauthorized by Congress but the federal program is still in effect. Congressional action at some point is very likely. The bill could limit the flexibility of the state to change the 2001 policy document in response to changes in federal law when WIA is reauthorized.

Fiscal/Economic Impact: The bill will have no direct impact on the amount of money appropriated for workforce development and passed through to the Michigan Works! agencies.

Other State Departments: The Michigan Works! agencies have a role in the Work First system, and the Department of Human Services therefore has an interest.

Any Other Pertinent Information: None.

Administrative Rules Impact: The bill does not contain administrative rulemaking authority, and the department does not have any administrative rules related to this program.